



Michigan *Office of the Auditor General* **REPORT SUMMARY**

Performance Audit

Use of Transportation-Related Funding

Report Number:
591-0105-06

Released:
December 2006

Act 361, P.A. 2004, and Act 162, P.A. 2003, require State agencies that receive transportation-related funding for providing tax and fee collection and other services applicable to transportation funds to contract with the Michigan Department of Transportation (MDOT). These agencies are also required to annually report the amount of funding contracted with MDOT, funds expended, funds returned, and unreimbursed costs incurred but not billed to the transportation funds. The Office of the Auditor General is required to report on the use of transportation-related funding.

Audit Objective:

To determine the appropriateness of selected State agencies' charges to transportation funds.

Audit Conclusion:

We determined that the charges to transportation funds were generally appropriate for 3 of 5 selected State agencies for fiscal years 2004-05 and 2003-04. However, our audit disclosed a reportable condition regarding cost allocation methodologies for 2 State agencies (Finding 1).

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Audit Objective:

To determine compliance with selected State agencies' contractual and reporting requirements for transportation-related funding.

Audit Conclusion:

We determined that the selected State agencies generally complied with contractual and reporting requirements for

transportation-related funding. Our report does not include any reportable conditions related to this audit objective.

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Audit Objective:

To report the services charged to transportation funds, the cost allocation methodologies used in determining the level of funding, and unreimbursed costs.

Audit Conclusion:

We reported the services charged to transportation funds, the cost allocation methodologies used in determining the level of funding, and the unreimbursed costs as supplemental information in the audit report. Our report does not include any reportable conditions related to this audit objective.

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Agency Response:

Our audit report includes 1 finding and 2 corresponding recommendations. The Department of Treasury, Michigan Department of State Police, and MDOT responded that they agreed with the recommendations.

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Background:

MDOT's annual appropriations act provides transportation-related funding to several State agencies and requires the Office of the Auditor General to audit and report on the use of this funding. Through fiscal year 2002-03, these audits were conducted on an annual basis. In accordance with Section 306, Act 361, P.A. 2004, the audits for fiscal years 2003-04 and 2004-05 and thereafter will be conducted on a biennial basis.

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A copy of the full report can be
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or by visiting our Web site at:
<http://audgen.michigan.gov>



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